

The Public Defense  
of the Doctoral Thesis in Economics

by

Attila Gáspár

on

Essays in the Political Economy of Development

will be held on  
Monday, May 27, 2019 at 1pm

in the

Quantum room (101)

Central European University

Nádor street 15, Budapest

**Thesis Committee:**

László Mátyás (Chair)

Arieda Muço (Internal member)

Balázs Muraközy (External Member)

**Supervisor:**

Ádám Szeidl

**Examiners:**

Julien Labonne, Associate Professor at University of Oxford  
(External Examiner)

Arieda Muço, Assistant Professor at Central European University  
(Internal Examiner)

The doctoral thesis is available for inspection  
at the CEU Department of Economics and Business

## **Abstract**

The three chapters of the thesis investigate how institutions and culture affect and are affected by the economy. The first chapter shows how politicians strategically use divisive issues to reduce their own election costs, and the impact of this mechanism within the context of religious regulations in Indonesia. The second chapter (joint with Pawel Bukowski, Gregory Clark and Rita Pető) uses surname distributions to estimate social mobility in Hungary over the last two centuries, and to assess how regime changes affected the transmission of social status. The third chapter (joint with Rita Pető) shows how economic incentives affected the choice of cultural identity through name changing in the late 19th and early 20th century Hungary.

## **Chapter 1 - The Public Morals - Public Services Tradeoff**

Campaigning on highly divisive, identity-based issues can serve as a cheaper alternative to provision of goods and services, so politicians have an economic incentive to cater to hardliners. I use a voting model to formalize this idea and to derive predictions, which I test using Indonesian data. About half of the district governments in Indonesia have been experimenting with divisive and often controversial Sharia-based religious policies since 2000. I identify the main prediction of the model, which is a negative impact of Sharia-based policies on public service provision, using difference-in-differences and instrumental variables methods. The first IV exploits village-level variation in the number of religious schools using a leave-out mean design, the second IV exploits regional variation in religious schools interacted with the country-wide increase in religiosity using a shift-share design. The conservative estimate of the impact is a 10 percent decrease in both spending and in the value of a standardized government services index. Regions which adopt Sharia-based regulations also experience an increase in poverty and in the frequency of violent incidents. The calibration of the model suggests that the total utility of the secular voters can decrease by as much as four times as the decrease in observed outcomes would justify. The evidence is consistent with the notion that politicians use divisive policies to strategically redistribute utility across voters while reducing the supply of material wellbeing.

## **Chapter 2 - Surnames and social mobility in Hungary over two centuries and five regimes**

with Pawel Bukowski, Gregory Clark and Rita Pető

We study the long-run social mobility in Hungary from the late 18th until early 21st century. We measure social mobility using the relative representation of various social groups (identified by surnames) among elite occupations. Using unique historical registries spanning more than two centuries, we are able to estimate the rate of status transmission under different political regimes: feudal and constitutional monarchies (-1918), right-wing authoritarianism (1919-1945), communism (1947-1989) and liberal democracy (1989-). We show that social mobility on the group level is slow; status is persistent despite many political and social upheavals. Nevertheless, historical elites lose their advantage at the fastest rate in regimes that were liberal by the standard of their age (constitutional monarchy and liberal democracy). On the other hand, right-wing authoritarianism has an adverse effect on social mobility as it protects the status of elite groups. Surprisingly,

we find very limited evidence for accelerating social mobility under communism. Finally, disadvantaged groups that we are able to identify by surname (such as the Romani minority) do not see any meaningful improvement of their status under any of the studied regimes.

### **Chapter 3 - Deny thy father and refuse thy name**

with Rita Pető

We study the name changing movement of the late 19th and the early 20th century Hungary using unique, individual level data on family name “Hungarianizations”. We argue that self-selection into name changing, which was an important step in the assimilation process, was at least partly driven by economic incentives from the government’s part. Making use of a historical policy shock which involved a one-year campaign among public sector workers to Hungarianize their names, we show evidence that the observed patterns in name changing are consistent with economic self-selection into assimilation, and quantify how much of the variation in name changing is driven by the static and dynamic push effect of policy, and how much is explained by the pull effect of community ties. We find that name changing responds to changes in incentives quite quickly, which is surprising given the results of previous studies on cultural persistence.

# Attila Gáspár

## Contact:

Department of Economics and Business    Phone: +36305267196  
Central European University                Email: gaspar\_attila@phd.ceu.edu  
Nador 13 utca, 1051 Budapest, Hungary    Webpage: <http://www.attila-gaspar.com>

## Education

- PhD Candidate in Economics, Central European University, 2012 -
- Duke University, 2017 (Visiting Ph.D. Student)
- MA in Economics, Central European University, 2012
- Diploma in Political Science (5 year training, BA+MA equivalent) Eötvös Loránd University, 2011
- Diploma in Economics (5 year training, BA+MA equivalent), Corvinus University of Budapest, 2010

## Previous research experience and other employment

- Research Assistant, CEU Department of Economics and Business (CEU Microdata) 2013-
- Junior Consultant (Political Capital - Policy Research and Consulting Institute, Budapest) 2008-2010

## Teaching experience as primary instructor

- Econometrics (UMY, Indonesia) 2016
- Mathematical methods for economists (UMY, Indonesia) 2016
- Introduction to Economics (ELTE) 2015

## Teaching experience as teaching assistant

- Data Analysis (CEU) 2015-16
- Mathematical methods for economists (CEU) 2014
- Microeconomics (ELTE) 2013
- Econometrics (ELTE) 2013

## **Research fields**

- Political Economy, Applied Microeconomics, Development Economics

## **Honors, Scholarships, Fellowships, Grants:**

- Award for Advanced Doctoral Students (Central European University) - 2017
- Doctoral Research Support Grant (Central European University) - 2016
- Review of Economics Studies Student Fellowship - 2016
- CEU Global Teaching Fellowship - 2016
- CERGE-EI GDN Regional Research Competition 2016 Grant - 2016
- INET The History Project Research Grant (with Rita Pető) - 2015
- CERGE-EI Teaching Fellowship - 2013, 2015
- Erős Gyula Award for Best MA Thesis - 2012

## **Seminars, Conference and Workshop Participation:**

- 2019: 16th Augustin Cournot Doctoral Days, University of Strasbourg (Conference)
- 2018: Graduate student Workshop of the Hungarian Society of Economics (HAS, conference); HAS Centre for Economic and Regional Studies (Seminar); 11th RGS Doctoral Conference, Essen; Bard College (Seminar)
- 2017: UC Davis (Seminar); Duke University, Development Lunch (Seminar); Hungarian Society of Economics Annual Conference 2017
- 2016: 8th IOS/APB/EACES Summer Academy, Tutzing; Annual Conference of the Swiss Society for Economics and Statistics, Lugano
- 2015: Graduate Student Workshop of the Hungarian Society of Economics; 1st German Economic History Conference, Münster; 8th RGS Doctoral Conference, Essen; WEast Meeting, Budapest (as organizer, joint paper presented by Rita Pető)
- 2014: Graduate Student Workshop of the Hungarian Society of Economics; Herzl seminar for Doctoral students, Telc (CZ)

## **Language Skills:**

Hungarian (native), English (fluent), Spanish (fluent, but not practiced recently), Indonesian (basic)